

EUROPEAN UNIVERSITY INSTITUTE, FLORENCE

ROBERT SCHUMAN CENTRE

**Integration Theory, Subsidiarity and the
Internationalisation of Issues:
The Implication for Legitimacy**

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EUI Working Paper **RSC** No. 95/7

BADIA FIESOLANA, SAN DOMENICO (FI)

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Printed in Italy in 1995
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European Integration and the State

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Recent developments in the European Union (EU) have revived debate about the consequences of European integration for the autonomy and authority of the state in Europe. The scope and depth of institutionalised, cooperative policy-making at the EU-level has dramatically increased in the last several years. The EU has almost completed the market and institutional reforms of the Single European Act (1986) which created "Project 1992" and established qualified majority voting in the Council of Ministers. And in the past two years, member states have ratified the Maastricht Accord, which envisages a common currency and central monetary authority by the end of the decade. Are these decisions part of an integration process which is transforming Europe in the direction of increasing multilevel governance, or does it consolidate the nation-state by providing an improved forum for state control of policy?

Because the resurgence of European institution-building has been driven by a series of bargains between member states, and because state executives have tended to emphasise the retention of sovereignty implicit in the quest for subsidiarity, many observers have taken the view that the autonomy of the state has not been challenged (Moravscik 1991; 1993; see also Mann 1994). Intergovernmentalists hold that despite the increased level of cooperation institutionalised in the SEA and Maastricht, nation-states continue to dominate EU politics. Cooperative outcomes reflect the interests and relative power of member state executives, while EU institutions themselves exercise little independent effect. Some scholars go further and claim that European integration has increased the policy-making autonomy and influence of state executives. Andrew Moravscik has recently argued that "the unique institutional structure of the [EU] is acceptable to national governments only insofar as it strengthens, rather than weakens, their control over domestic affairs" (1993: 515). According to Moravscik, the EU increases the agenda-setting power of state executives, and adds legitimacy and credibility to state policy initiatives.

We argue here that while European integration has proceeded through a series of intergovernmental bargains, one cannot conclude that individual states have gained or even sustained their former authoritative control over individuals in their respective territories. States remain immensely strong institutions with formidable coercive, financial, and normative resources, but we detect some fundamental changes in the locus of political control. Important areas of decision making have shifted to the European arena where the sovereignty of individual states is diluted by collective decision making and by the role of supranational institutions in the policy process. In addition, European states are losing their grip on the mediation of domestic interest representation in international relations.

Characteristics of the state

The question posed in this paper--whether and to what extent European integration has weakened the state--has been wrestled with since the earliest days of the European Union, and today the division of opinion is as sharp and wide as then. Given that contrary positions on the issue can arise on definitional grounds, it makes sense to begin by defining the core characteristics of the state.

The literature on the state and its historical development sets out a variety of characteristics that are assumed to be intrinsic to the modern state, and it would probably be fruitless to legislate yet another definition. However, there is wide agreement on a set of essential characteristics having to do with sovereignty. At a minimum, as Max Weber emphasized, a state must assert a monopoly of legitimate coercion within a given territory to be sovereign. In his careful exposition of the characteristics of the state, Gianfranco Poggi summarises thus:

The controlling organization is a state in so far as it is (among other things) sovereign: that is, it claims, and if necessary is willing to prove, that it owes to no other power its control over the population in question; that it responds to no other organization for the modalities and the outcomes of that control. It exercises that control on its own account, activating its own resources, unconditionally; does not derive it from or share it with any other entity (1990: 21).

Along similar lines, Strayer argues that "sovereignty requires independence from any outside power and final authority over men who live within certain boundaries" (1970: 58; quoted in Krasner 1988: 86). Sovereignty, then, may be regarded as the core characteristic of the state, as the basis to which additional characteristics--including some level of Centralization, mediation between domestic and international spheres of political life, functional differentiation from other Organizations operating in the same territory, formal administrative coordination, nesting within a states system, among others--are added (Tilly 1975; Krasner 1988; Poggi 1990).

From the standpoint of physical force, one may say that member states of the EU retain ultimate sovereignty by virtue of their continuing monopoly of the means of legitimate coercion within their respective territories. If a member state decided to break its treaty commitments and pull out of the EU, the EU itself has no armed forces with which to contest that decision. Nor does it seem conceivable that the constituent units of the EU would be prepared to mobilize their forces in order to bring the recalcitrant member in line. Here the contrast between the European Union and a federal system, such as the United States, seems perfectly clear. In the last analysis, states retain ultimate coercive control of their populations.

But monopoly of legitimate coercion tells us less and less about the realities of political, legal and normative control in contemporary capitalist societies. A minimalist Weberian definition of the state appears far more useful for understanding the emergence and consolidation of states from the 12th century than for understanding changes in state sovereignty in the latter half of the 20th century. Although the EU does not possess armed forces, it requires no leap of imagination to argue that a member state is constrained by the economic and political sanctions--and consequent political-economic dislocation--that it would almost certainly be subject to if it revoked its treaty commitments and pulled out of the Europolity.

Analyses of the ultimate sanctions available to the EU with respect to member states have an air of unreality about them because, under present circumstances, they remain entirely hypothetical. Rather than sketch out hypothetical scenarios, our approach is to examine the empirical realities of politics and political control in Europe. In the following sections we examine arguments about the way in which the EU actually operates--how competencies are allocated and how policy is made.

Two models of the European Union

The debate about the effect of European integration on state power does not hang on interpretation of shared evidence, but involves a set of inter-related theoretical and descriptive issues. We are really dealing with fundamentally different conceptions of how the EU works, and it would be useful to make these explicit at the beginning.

Analyses that conclude that the role of the state has been sustained in the course of European integration vary in many details, but it is worth trying to draw out their common logic. We describe this as the *state-centric model* of governance in the EU. We draw on the work of several scholars (Hoffmann 1966; 1982; Taylor 1983; Moravcsik 1991; 1993; Garrett 1991; for an intellectual history see Caporaso and Keeler 1993), but we do not assume that the model sketched here would fully satisfy any one of them. Our aim is to delineate a logically coherent description which claims that state sovereignty is preserved or deepened in the EU and which may serve as a convincing tool for examining the validity of the intergovernmentalist perspective.

The state centric model poses states as ultimate decision makers, devolving limited authority to supranational institutions to achieve specific policy goals. The logic of institutional development is one of bargaining among state executives. To the extent that supranational institutions arise, they remain creatures of state executives to achieve policy goals determined by their political masters. State centrists do not have to maintain that policy making is determined by state executives in every detail, only that the overall direction of policy making is consistent with state control. States may be well served by

creating a judiciary, for example, that allows them to enforce collective agreements, or a bureaucracy that implements those agreements. But such institutions are not autonomous supranational agents. Rather, they have limited powers to achieve state-oriented collective goods.

State decision making, as conceptualized in the state centric model, does not exist in a political vacuum. It is determined by political interests, which for the state centrist, operate in discrete state arenas. That is to say, state decision makers respond to political pressures that are nested within each state. So, the twelve state executives bargaining in the European arena are complemented by twelve separate state arenas that provide the sole channel for domestic political interests to the European level. Although important aspects of decision making have shifted to the European arena, the state centrist argues that the dynamic of policy determination is to be found at the national level, in the state executives that monopolize European policy making and in the state arenas that determine state executive policy. In short, the state centric view is of state executives that control the overall direction of policy making at the European level, constrained by political interests nested within autonomous state arenas that connect subnational groups to European affairs.

One can envisage several alternative models to this one. The one we present here, which we describe as *multi-level governance*, is drawn from several sources (Marks 1992; 1993; Caporaso and Keeler 1993, Hooghe 1993). Once again, our aim is not to reiterate any one scholar's perspective, but to elaborate essential elements of a model drawn from several strands of writing which makes the case that European integration has weakened the state¹

The multi-level governance model does not take issue with the claim that state executives and state arenas are important, or even with the claim that they remain the *most* important pieces of the European puzzle. However, when one asserts that the state no longer monopolizes European-level policy making or the aggregation of domestic interests, a very different polity comes into focus. First, decision making competencies are shared by actors at different levels rather than monopolized by state executives. That is to say, supranational institutions--above all, the European Commission, the European Court, and the European Parliament--have independent influence in policy making that cannot be derived from their role as agents of state executives. State executives may play an important role, but, according to the multi-level governance model, one must analyze the independent role of European level actors to explain European policy making.

In the second place, political arenas are interconnected rather than nested. While national arenas remain important arenas for the formation of state executive preferences the multi-level governance model rejects the view that subnational actors are nested exclusively within them. Instead, they act directly both in national and supranational arenas, creating transnational associations in the process. States do not monopolize links between domestic and European

actors, but are one among a variety of actors contesting decisions that are made at a variety of levels. In this perspective, the complex interrelationships of domestic politics are expanded to the European level. The clear separation between domestic and international politics, which is assumed in the state-centric model, is blurred under multilevel governance. States are an integral and powerful part of the EU, but they no longer provide the sole interface between supranational and subnational arenas, and they share, rather than monopolize, control over many activities that take place in their respective territories.

These models of governance involve some basic differences in approach: whereas the decisive resource in state-centric governance is legal authority, actors under multi-level governance exert influence on the basis of diverse resources, including information, Organization, expertise, financial resources, and legitimacy; whereas state-centric governance presupposes exclusive state competencies, multi-level governance presupposes that competencies are shared by actors at different levels; whereas state-centric governance is hierarchical, multi-level governance is driven by interdependence among actors at different political levels.

Evaluating state-centric arguments

A common presumption of the state-centric and multi-level models is that the EU makes decisions that control the lives of individuals in member states. The process of European integration over the past two decades has clearly shifted major areas of decision making from state arenas to the EU. In a recent article, Philippe Schmitter disaggregates policy into 28 broad areas, and finds that by 1992 in all but six policy areas decisions were made at both national and EU levels. Two areas (labor management relations and police and public order) remained exclusively in the domain of national policy, whereas in four areas (internal trade, capital flows, agriculture, and external commercial policy) policy was exclusively or mainly in the domain of the European Union (1993).

What effect has this shift of decision making had on the state in Western Europe? Those who maintain that states have sustained or even consolidated their role as a result of European integration have developed several lines of argument, the most convincing of which are the following

States make the basic decisions regarding allocation of authority in the EU. This point of view has been argued at length by intergovernmentalist scholars of the EU in historical studies of the founding treaties including, most crucially, the Treaty of Rome (Milward 1993), and the Single European Act (Moravscik 1991; Garrett 1991). States are at their strongest in interstate treaty making, and member states are the only legally recognized signatories of the agreements that have shaped the EU. Indeed one can argue that treaties empower states vis à vis domestic political actors, for states tend to be more autonomous in matters of

foreign policy than in domestic policy. Because the EU deals with a variety of issues that were formerly handled by states in their domestic political arenas, one may argue that the EU has actually consolidated state dominance.

This is a powerful line of argument, but it does not clinch the debate. First, we need to ask whether and to what extent states have been constrained in the negotiations leading up to the signing of major EU treaties and in the process of their ratification. States are the only parties to sign these treaties, and therefore state consent is a *sine qua non* of their passage, but this does not mean that states are thereby empowered. There is, for example, a lively debate concerning the role of supranational actors, particularly the European Commission and large corporations in generating momentum for the Single European Act and influencing the final agreement (Sandholtz and Zysman 1989; Green-Cowles 1993).

The process of treaty ratification appears, at least since the Maastricht Accord, far less state-driven. In the pre-Maastricht era the logic of European integration was largely technocratic, involving coordination to achieve limited and contingent policy goals. With the exception of extraordinary interventions by nationalist leaders, above all De Gaulle in the 1960s and Thatcher in the 1980s, the course of European integration was pragmatic, not politicized, and state representatives dominated the discussion to the virtual exclusion of mass publics. Indeed, the fact that there were not more than a dozen relevant actors, the member states, helps explain the level of integration that was achieved in a relatively short span of time--the EU's first three decades--compared to the centuries long process of state building (Marks 1994c).

While states have played a decisive role in the treaty process, the treaties themselves do not uniquely determine the allocation of authority in the EU. Because the treaties are hammered out in interstate negotiations in which each state has a veto, they tend to be ambiguous documents open to contending interpretation. The Treaty of Maastricht is no different. It is full of "legalese" and "Euro-speak" concerning an impressive range of policy areas, but with few hard commitments on the part of the member states. The intense economic bargaining that took place in the wake of the Maastricht Accord (at the Edinburgh Summit and beyond) reveals just how undefinitive the treaty was². So the Maastricht Treaty has been the starting point, not the end point, for negotiation among interested parties. This is the case for most areas covered in the Treaty, including economic and monetary policy, the creation of a central bank, and social policy. In structural policy, the Treaty barely set the parameters of negotiation. It contained no overall spending commitments nor even projections for planned expenditure. The institutional innovation it did describe in some detail, the new cohesion fund, accounts for only a small part of the total increase agreed at Edinburgh. The Treaty called for a "thorough evaluation of the operation and effectiveness of the Structural Funds," but provided minimal

substantive guidance to the Commission on the task of institutional restructuring.

When we shift to policy making, member states acting individually, or collectively through the Council of Ministers, share control with supranational institutions, particularly the European Commission. We argue in the following section that while states have maintained control of the treaties that underpin the EU, they have lost sole control of the institutional exercise of competencies.

This is contradictory only if one assumes that states are unitary actors and that they operate in a predictable environment. In the context of the EU, however, it seems sensible to conceive of states as composed of a variety of political actors in distinct roles: civil service bureaucrats, parliamentarians, judges, the armed forces, subnational executives sometimes having distinct regional or local interests, and most importantly for our purpose, party leaders serving as central state executives. It is the latter who are decisive in representing their respective states in EU treaty negotiations, in European Council summits, and on the Council of Ministers, yet one cannot assume that state leaders always have state sovereignty as their goal. They are likely to be motivated by a variety of additional goals, including reelection or avoiding disunity within their governing coalition or party, and these may conflict with each other and with state sovereignty. Potential tensions between the goals of state executives and the preservation of state sovereignty illuminate how states can dominate the allocation of competencies, but only share control of the exercise of those competencies.

State executives usually make a clear distinction between the allocation and the exercise of competencies, and this enables them to take a pragmatic approach towards questions of sovereignty, with profound consequences for the dynamics and institutional form of European integration. Until the response to the Maastricht Accord, the process of integration was usually driven by attempts on the part of state executives to achieve particular policy outputs rather than a particular allocation of authority among institutions. If state executives could see political gains in shifting decision making to the European level, in empowering supranational institutions to administer or adjudicate policy; this provided a strong case for integration, irrespective of the consequences for sovereignty. The process of integration has thus been a policy-oriented one in which political institutions were set up piecemeal to facilitate particular policy outcomes. Instead of being driven by overarching conceptions of the European polity, the EU has evolved incrementally into a labyrinthine set of political institutions serving a variety of discrete policy purposes.

In addition, the consequences of institutional change in the EU have not always coincided with the original intentions of the negotiating parties. Neofunctionalist theorists have argued persuasively that the process of European integration is a dynamic process in which institutional outcomes of political bargaining in one time period shape preferences following periods, a process

neofunctionalists have analyzed in terms of "spillovers" among functionally related policy areas. There are many examples of such spillovers--monetary union as a spillover from market integration is one--but they are inherently difficult to predict because they depend on the complex interaction of a variety of processes which are themselves highly complex, including the performance of constituent economies, elections, the policies of competing world economic powers, and so on. Hence, even when state executives attempt to preserve sovereignty, their plans are launched in a highly unpredictable environment. The leaders of the state executive can rarely expect to stay in power for more than one or two elections; the institutions they establish in the EU outlive the tenure of their creators many times over.

States are deeply rooted institutions regulating large (even expanding) spheres of social life.

In an original and theoretically suggestive article, Stephen Krasner argues that the state is an archetypal case of a deeply rooted institution which is highly resistant to incremental change. Krasner points out that states are embedded both vertically, because they define actors in their territories by bestowing citizenship on them, and horizontally, by the dense linkages that exist between states and numerous other institutions. States, according to Krasner,

have become increasingly formidable institutions. They influence the self-image of those individuals within their territory through the concept of citizenship, as well as by exercising control, to one degree or another, over powerful instruments of socialization. With regard to breadth, states are the most densely linked institutions in the contemporary world. Change the nature of states and virtually every thing else in human society would also have to be changed. Hence, even though environmental incentives have dramatically changed since the establishment of the state system in the seventeenth century, there is little reason to believe that it will be easy to replace sovereign states with some alternative structure for organizing human political life (1988: 76).

Krasner concludes that change in the institution of the state is characterized by punctuated equilibrium: extended periods of stasis broken by short periods of rapid institutional change. There are, he says, no signs of the latter, nor even of an alternative legitimate form for organizing political life: "Even if this vision is sometimes challenged, no alternative has been effectively articulated and legitimated."

Krasner's approach to institutional change reinforces the sensible presumption that the conditions under which existing states would face imminent demise are extreme, unpredictable, and not on the horizon from our present standpoint in time. But how can we explain ongoing changes in the

competencies of states? Does Krasner's approach provide for the possibility that state sovereignty is being weakened in the process of European integration?

To tackle these questions one must avoid the temptation to reify the state and treat it as a coherent institution or as a unified actor. While this is a defensible conceit in some contexts, particularly in the international arena, it makes unproblematic some important questions about relations among state institutions, and negates the empirical possibility that states may be riven by a variety of internal conflicts that may influence their development. While it makes sense to treat a biological organism as a coherent unit connected to a discrete environment, social institutions vary in the degree to which they are differentiated from their environment and in the degree to which they may act coherently. One should allow for the possibility that institutions, or rather their constituent parts, may act on themselves.

This takes us back to a point raised earlier concerning the potential for conflict between the goal of sustaining state sovereignty and the preferences of powerful actors in the state executive. In western democracies, the distribution of key government offices are determined by a logic of democratic party competition rather than a logic derived from state sovereignty. The two may, indeed, coincide, as they have done repeatedly in time of war, but there is nothing inevitable about this.

The Maastricht Treaty, for example, compromises the identity of nationality and the rights of citizenship, a property Krasner singles out as contributing to the institutional depth of the state. From 1993, including the recent election for the European Parliament, citizens of EU member states can vote and stand for office in European and local elections in any EU country they are resident in (with the exception of Denmark). Hence, it is possible for a Briton to run for election to the European Parliament in Italy and, like other candidates, he or she may campaign for the votes of any foreigners from EU countries who happen to be resident there. There are two plausible explanations for this innovation, each of which appears to be corrosive of the state-centric perspective: member state executives were convinced that breaking the exclusive link between statehood and citizenship was a public good and approved it as such; member state executives were opposed to the innovation, but were pressed into it (e.g. to satisfy group demands or to increase their electoral support). In either case, the interests of state executives and the extent to which they coincide with the requisites of state sovereignty are open questions.

Michael Mann has observed that states in Western Europe and in advanced industrial societies generally have expanded the range of their control of the lives of their citizens (Mann 1993). In the last quarter century they have extended their reach into areas of private life, such as abortion, the care of children, smoking, and have increased powers concerning the environment, consumer protection, and other spheres that were either unregulated or regulated

by non-state institutions. Can we therefore view the role of the state in terms of a trade-off: the state has lost control in some areas, such as trade policy and regional policy, but has gained control in others? This perspective--the balance sheet approach--tells us that states are arguably not in decline in terms of the absolute degree to which they control peoples' lives. However, states do more than control. Their control is *sovereign* within their respective territories; i.e. it is *independent* from any external power or body. From this perspective (but not from the balance sheet perspective) states in Eastern Europe in the postwar decades were relatively weak states because they suffered Soviet hegemony, despite the fact that they controlled a larger part of their subjects' lives than did Western European states.

It is not necessary to take an extreme position on this issue to make room for the contention that states have been weakened in the course of European integration. The development of states from the 12th century involved both absolute expansion of state capabilities and relative decline of contending institutions, above all, religious and feudal ones³. At stake in European integration is both a shift in state competencies to the European arena and sharing of control over those competencies with other states and supranational institutions.

The debate concerning the state and European integration is, at its core, an empirical debate about politics and political power in the European Union. It is to this topic that we turn next.

POLICY MAKING IN THE EUROPEAN UNION

The political relationship between the European Council of Ministers and the European Commission shapes policy making in the European Union, even though other actors, particularly the European Parliament, have gained in importance after the Maastricht Treaty. In this section we are concerned chiefly to describe the dynamics of this relationship, for arguments about the role of states in the EU turn on an empirical assessment of the relative influence of these institutions.

According to the state-centric model, states mandate the European Union to produce collective goods on their behalf. The Council of Ministers is the forum where state interests are advanced, where the rules for the European game are set and where decisions are taken concerning the allocation of goods and competencies. The European Commission, in the state-centric perspective, is merely a facilitating institution, subordinate to the Council, serving specific state purposes. The state-centric model has an unambiguous conception of relationships among the chief institutional actors in the EU: the allocation of competencies is prescribed by states; the Council of Ministers determines key policies; relations between the Council and Commission are hierarchical, while relations among member states are based on formal equality.

This is an elegant formulation, but it fails to capture the fact that institutional relations in the EU are characterized by extensive interlocking of competencies, not by hierarchy, nor by anything resembling a separation of powers. This interlocking occurs horizontally between the Council and Commission and vertically among actors in the state and European arenas. Because neither the Commission nor the Council is dominant, the distribution of power in the EU is not uniform, but heterogeneous across policy areas. Formal authority is an important resource, but it is not the only one. Information, organizational capacity, and financial and other resources can also be decisive. We argue that complexity of institutional relations and intermeshing of competencies are integral characteristics of the European Union, rather than superficial features in a state-dominated polity that dissolve in a final analysis of ultimate power. In short, the European Union is characterized by multi-level governance in which competencies are shared by institutions at different levels.

The thrust of our analysis is that the Council and Commission are mutually dependent. This does not mean that they share the same values or pursue the same interests. On the contrary, the ambiguous and open-ended character of the system makes it almost impossible to craft a durable concordance of values, of interests, or even of working rules in and among institutions. The European Union can be described as a system where both cooperation and contestation are embedded in dependencies among institutions.

Interdependence in the EU leads to consensus-seeking rather than polarization. The norm is to win over rather than defeats competing actors by using positive incentives rather than threats. Yet consensus-seeking does not involve shared understanding and acceptance of mutual roles and interests. Instead, policy making is often accompanied by surreptitious competition to shift boundary and decision rules, and is not merely about finding Pareto-optimum solutions.

The Council and Commission have multiple, inter meshing and mutually indispensable competencies.

The European Union does not have a single executive, nor does it have a clearly demarcated legislature or civil service. Instead, the Council (and member states) and the Commission are each equipped with legislative, executive, and administrative competencies (Weiler 1991; Ludlow 1991; Wessels 1991).

The main legislative body is not the European Parliament, but the Council of Ministers, an assembly of member state executives. The Council is also a powerful player in the executive process through its systematic involvement, spiced with veto power in some cases, in most Commission work. The Council machinery is, furthermore, the top layer of an administrative network which connects EU level decision making to national administrations. But the European Commission is the main executive body. It has a political and an administrative tier, both of which have the reputation of being shrewd political

entrepreneurs (Eichener 1992; Ludlow 1991; Mazey, Richardson 1992; Ross 1993; Majone 1993). The Commission also has a stake in the legislative process by virtue of its monopoly of proposal. Despite its small staff of some 12,000 administrators, it has become increasingly involved in day-to-day administrative management in certain policy areas such as structural policy and research and development.

Legislative, executive, and administrative competencies in the EU are more fragmented than in any national polity. Instead of a system of checks and balances based upon the doctrine of *trias politicas*, both the Council and Commission have a stake in each of the relevant competencies. As a result, the Council and Commission are drawn into a symbiotic relationship at virtually every stage of the policy process: in the initial investigation of the feasibility of a policy initiative the Commission consults and the Council machinery advises informally; the Commission then decides or declines to draft or redraft a proposal; if a proposal is drafted, the Council debates and decides, and the Commission brokers; the Commission then starts the implementation process under the watchful eye of the Council, and passes actual implementation on to the member states which do the work on the ground under scrutiny of the Commission.

If policy making were like solving a puzzle (and it is, according to Heclo), the Council and Commission each possess unique pieces. Unless both can be convinced to put their pieces on the table, the puzzle can never be completed. Neither the Commission nor the Council can press their demands into policy because their powers are complementary, not parallel. Their relationship is quite different from that between President and Congress in the United States, where each has some leeway to act unilaterally in case of deadlock. This has prompted scholars to compare the European Union with German federalism (Sbragia 1992; Scharpf 1988). Both polities entrench constituent governments (Lander and member states) in a system of ongoing bargaining which presses them to consensual outcomes, though the German system of *Politikverflechtung* is formally constitutionalized, and hence more routinized and predictable than institutional interlocking in the EU.

It would, however, be an oversimplification to identify the Council with state interests and the Commission with a European-wide interest. While Commissioners and Commission civil servants are formally expected to serve the EU as a whole, Commissioners are appointed by their national government and the topmost tier of the civil service and are nearly all recruited from outside the bureaucracy's ranks according to strict national quotas. Commissioners are predominantly former national politicians or have national ambitions; they are assisted by a political cabinet (predominantly of the Commissioner's nationality); and they are informally expected to act as two-way intermediaries between the Commission and their respective countries, and especially to keep channels open with the state executive (Ross 1993).

The Council is the most powerful channel for state interests (Wessels 1990), but its interplay with state executives shares some complexities of a principal-agent relationship. Although Ministers from state executives meet directly in the Council, they rely for expertise and strategic planning on civil servants and technocrats in Coreper and on the Council secretariate, a European civil service. On issues that are not highly polarized among member states, there is plenty of scope for the influence of epistemic communities, closely knit groupings of experts and advisers who advocate a particular policy on the basis of analytical arguments rather than power or ideology (Peters 1992; Richardson 1993 mainly environment; Eichener 1992 for social policy; for a cautious assessment focusing on treaties see Wood, Yesilada, Robedeau 1993). As a result of such pressures, state executives often voice fears that representatives may "go native" (Christoph 1993)⁴.

Policy initiation. Commission as agenda setter with a price. Listen, make sense, and wait patiently.

In the policy initiation phase, the European Commission has an almost exclusive right of initiative, which includes the right to amend or withdraw its proposal at any stage in the process⁵. That does not mean it works out ideas in splendid isolation (on Commission strategy, see Metcalfe 1992). Before the Commission submits a proposal to the Council (there are usually between 550 and 700 proposals per year⁶), it will have sounded out ideas at length in advisory groups. The Commission is always on the look out for information and political support, and it has developed an extensive informal machinery of advisory committees and working groups for consultation and pre-negotiation. Advisory committees, consisting predominantly of interest group representatives, give the Commission contacts and information beyond those provided by state executives. Commission working groups are composed of member state nominees, specialists and civil servants, who provide technical advice.

However, the Commission's role in policy initiation goes further. It is also charged with the task of investigating the feasibility of new policies to further European cooperation. One of the roles of the Commission is to serve as a strategic think tank and in this capacity it produces 200 to 300 reports, papers (White, Green, non-papers), studies, and communications annually (Ludlow 1992; Louis, Waelbroeck 1989). Some are highly technical studies about, say, the administration of milk surpluses. Others are influential policy programs such as the 1985 White Paper on the Internal Market (Cameron 1992; Sandholtz, Zysman 1989), the 1990 reform proposals for Common Agricultural Policy which laid the basis for the European position in the GATT negotiations, or the 1993 White Paper on Unemployment which argued for more labour market flexibility⁷. Some studies are broad-ranging plans which are never implemented, such as the 1990 paper on industrial policy, (Ross 1993), or the

recent White Paper on Economy Recovery, an ambitious plan for reinvigorating the European economy through coordinated investment programs⁸.

Even detailed scholarly analyses find it difficult to apportion responsibility for particular initiatives. This is true for the most intensively studied initiative of all--the internal market program--which was pressed forward by business, the Commission and the European Parliament, as well as by state executives (Cameron 1992; Moravcsik 1993; Green-Cowles 1993;). Because the Commission plays a subtle initiating role, its influence is not captured by formal announcements of new policy goals. The White Paper on Economic Recovery was mandated by the European Council of June 1993, but only after the Commission president had presented a detailed analysis suggesting eight guidelines for economic renewal.

In this area the contender on the side of state interests is the European Council, a summit of the political leaders of the member states (plus the President of the Commission) that is held every six months. The European Council has immense prestige and legitimacy, but it meets rarely and has only a skeleton staff. It operates in the realm of general policy declarations, which actually provide the Commission with a broad mandate to work out proposals. A politically adept Commission can build its legislative program on such declarations. The Commission has, for example, justified several environmental and foreign policy initiatives (e.g. development and humanitarian aid, relations with Eastern Europe and Russia) in this fashion⁹.

Decision making. Council predominance at a price: collective decision making and Commission brokering.

In the decision making stage the Council becomes the senior associate in its partnership with the Commission. Once the Commission has assessed a proposal it is ready to submit it to the Council, which acts as the senior legislature. An extensive Council machinery, rivaling the Commission's informal circuitry, has developed in recent years.

The top layer of the structure is the Council of Ministers, which is in reality a conglomerate of over twenty sectorally delimited Councils. Most meet monthly or bimonthly for a few days; some, like agriculture or general affairs, convene more often. Formal Council meetings have increased from twenty in 1967 to sixty-three in 1980, and eighty-nine in 1992 (Wessels 1991; Hooghe 1993). The expansion of informal Council meetings has been even greater though no data has been collected on this.

When ministers are not there, Coreper (Committee of the Permanent Representatives of member states) takes over. Coreper meets weekly in Brussels to coordinate the Council side of the European agenda. Underneath the diplomatic layer of Coreper are about 180 specialist committees and working groups consisting of national civil servants and experts who scrutinize Commission proposals for weeks, months or sometimes even years (Hays-

Renshaw 1991; Christoph 1993; Wessels 1991; Nugent 1991). It is difficult to estimate the number of national civil servants flying back and forth to Brussels, but it runs into several thousand a year (Christoph 1993). Roughly 80 per cent of the Council's acts are decided on this professional bureaucratic level (Wessels 1991). The intergovernmental institutions, Coreper and its working groups, are assisted by a European institution, the Council Secretariat, staffed by about 2,000 civil servants who are recruited through the same European-run examination system as officials in the Commission. Hence, the staff of the Council Secretariat are European civil servants on the European payroll, not officials dispatched from the member states.

While the Commission is secondary to the Council in this stage of decision making, its influence should not be discounted. The Commission is present in every Council meeting. In fact, some Council working groups are replicas of the Commission working groups that prepare the legislative initiative during the preparation stage. The same people sit around the table, but the decision rules have changed. During the preparation stage, the Commission chairs the meeting, while national officials advise. In the decision-making stage, a member state presides at the meeting and the Commission sits in to clarify, redraft, and defend its proposal. National officials take the final decision. This is multi-level governance--multiple, intermeshing competencies, complementary policy functions, variable lines of authority--at work .

The Commission has the strategic advantage of being able to choose the timing, content and form of proposals. It has access to greater expertise, as Commission administrators have usually been working on a particular policy issue for years (Eichener 1993). It has an organizational edge in that the Commission, as a semi-hierarchical Organization, is usually able to present a more coherent position than the Council¹⁰. Furthermore, Commission officials are exceptionally skilled political negotiators who are acclimated to the contrasting political styles of national representatives and the overriding need to seek consensual solutions from among a variety of partial national points of view (Majone 1993; Eichener 1992). Finally, it is the Commission which holds the pen throughout the negotiation in the Council: it drafts, redrafts, and finalizes the text.

The Commission is usually a far more cohesive actor than the Council, which is often riven among contending member state executives. As a result, the Commission often finds itself in the position of brokering compromise. The Council is structurally weak in generating this brokership unilaterally. Transaction costs of resolving collective action problems in an egalitarian setting like the Council machinery are especially high. They are further increased by the unpredictability of the EU environment (Garrett, Weingast 1991; Lindberg and Scheingold 1970; Scharpf 1988; 1992).

While the theoretical literature in recent years has often stressed the intergovernmental nature of the European Union, much of the empirical

literature emphasizes the influence of the Commission on intergovernmental bargaining. Garrett and Weingast (1993) have demonstrated this leadership/broker role for the Internal Market Program; Sandholtz (1992), Peterson (1991) and Pollack (1993) for research and development (Esprit, Race); Tommel (1992), Marks (1995) and Hooghe (1995) for structural policy¹¹. In a study of social policy Eichener (1992) has detailed the interplay between Commission civil servants and state representatives in Council working groups, in which the former emerge as formidable negotiators around the table¹².

The Commissions' role as broker and negotiator has been strengthened by the successive extension of qualified majority voting at the expense of unanimity through the Single European Act and the Maastricht Treaty. Under qualified majority it takes a minimum of two large member states and one small one (with the exception of Luxembourg) to block a proposal. Qualified majority voting is the rule for most policy areas covered by the original Treaty of Rome, including agriculture, trade, competition policy, and transport, and policy areas concerned with the realization of the internal market, but there are important exceptions which include taxation, capital flows, state aids, visa policy, and harmonization of national laws (except in the framework of the internal market)(Church, Finnamore 1994; Dinan 1994; Schmitter 1992)¹³. The decision making rules are complex, but the message is clear: in vast areas of EU competence, state executives may be outvoted.

State executives have tried to protect themselves against the possibility of being outvoted in several ways. one is the Luxembourg compromise under which states can veto if they claim that their national vital interests are at stake. However, such extreme claims are rare, probably because they expend a state's goodwill in a forum of ongoing cooperation among equals. Consensual working rules in the Council and between the Council and Commission give a state several chances to express its reserve and to seek accommodation. Secrecy in Council meetings facilitates this process. In addition to the general political protection of the Luxembourg compromise, state executives have built in specific safeguards into Treaties. There are derogations for particular states, particularly on matters of taxation, state aids, monetary policy and energy policy. The Single European Act and the Maastricht Treaty preserve unanimity for the most sensitive or contested decisions.

These qualifications soften the blow to national sovereignty, but they do not alter the logic of qualified majority voting: no longer can individual states control policies in any of the areas in which European competence has been instituted. Even on the doubtful premise that the Council is the sole decision maker, it is now the case that state sovereignty has been pooled among a group of states in a variety of policy areas (Keohane, Hoffmann 1991; Wessels 1992).

The SEA and the Maastricht Treaty also established cooperation and co-decision procedures which have brought the European Parliament into the center

of the decision making. Under both procedures Parliament may propose amendments to a Council-Commission proposal (Nugent 1991; Dinan 1994). The Commission can respond by endorsing or rejecting the amendments, which the Council can only ignore under the following strict conditions: by qualified majority if the amendments are not endorsed by the Commission; by unanimity if the Commission supports them. Conversely, the Council can decide to adopt a Parliamentary amendment by qualified majority if it is supported by the Commission and by unanimity if the Commission does not endorse it. Finally, under the new co-decision procedure, the Parliament has, on a par with the Council, a final say: it may reject the proposal on a vote of more than half of its members.

Opinions differ about whether the Commission or the European Parliament has benefited the most from these rule changes (Tsebelis 1994). But one thing is uncontested: in the interplay between the Commission and the Council, the Commission has gained most (Tsebelis 1994; Jacobs, Corbett 1990; Garrett, Weingast 1993; Schmitter 1992; Schneider 1993; Weiler 1991: compare with skeptical early prognoses: Fitzmaurice 1988; Bieber, Pantalis, Schoo 1986). Under both the cooperation and co-decision procedures, the Commission has expanded a critical competence, for it may decide to take up or drop amendments from either the Council or Parliament, a power that makes it a broker--a consensus crafter--between the two institutions.

In sum, the Council is arguably the senior partner in the policy-making stage, but the Commission is a formidable junior partner. The Council has built up an impressive machinery that mirrors and rivals that of the Commission. However, the Council has one great weakness: its inability to overcome the high transaction costs of collective action, i.e. its lack of political leadership. This has provided space for the European Commission to enmesh itself in the decision-making process even where it is not able to exploit formal rules. For the most part, the Commission's power is soft in that it is exercised through subtle influence rather than by transparent sanction. The Commission can gain little by confrontation. Its influence depends on its ability to craft consensus among institutions and among member state executives.

Implementation. Opening the European arena; breaking the state mould.

By virtue of their administrative resources and expertise within their territories, member state governments are mainly responsible for implementing EU policy. But even here one finds areas of contention and significant intermeshing of competencies.

The Commission's formal mandate gives it discretion to interpret legislation and issue administrative regulations bearing on specific cases in the member states, but in recent years an extensive committee system encompassing state officials and experts has developed to watch over this. The Commission issues between six and ten thousand administrative regulations annually, but

only a tiny proportion are unilateral decisions. Over time, the Council and the individual national administrations have become intimately involved. Many regulations have their own committee attached to them. Rules of operation vary widely and are a source of continual contention between Commission and Council (Dogan 1992; St.Clair Bradley 1992). Some committees are only advisory, others can prevent the Commission from carrying out a certain action, a third category must approve Commission actions. In each case the Commission presides. It is not unusual (though not a general rule) that the national officials controlling the execution are those who advised the Commission in the preparation stage or who negotiated the Commission proposal in the Council working group. The same applies to the Commission officials involved.

A second development in the implementation stage has received little attention thus far: direct involvement of Commission officials in day-to-day implementation in certain policy areas. The Commission was never expected to perform ground-level implementation, except in unusual circumstances (such as competition policy, fraud, etc.). Yet, in some areas, this has changed. The most prominent example is structural policy, which now absorbs about one-third of the EU budget. The bulk of the money goes to multi-annual regional development programs in the less developed regions of the EU. The 1989 reform (continued in the 1993 revision) prescribes the involvement of Commission, national, regional, local and social partners on an equal and continuing basis in all stages of the policy process: selection of priorities, choice of programs, allocation of funding, monitoring of operations, evaluation and adjustment. For that purpose, each recipient region or country is required to set up a structure of monitoring committees, with a general committee on top, followed by a cascade of subcommittees within each program. Commission officials can and do participate at each level of this tree-like structure. Partnership is implemented unevenly across the EU (Hooghe, Keating 1994; Marks 1995), but in some countries it institutionalizes direct contact between the Commission and non-central government actors including, particularly, regional and local authorities, local action groups, and local businesses. Such links break open the mould of the state, so that multi-level governance encompasses actors within as well as beyond existing states.

MOBILIZATION OF SUBNATIONAL GROUPS IN THE EUROPEAN POLICY

If our description of policy making is valid, we should expect to see this reflected in the strategies of groups who wish to influence policy outcomes. Access to power is a powerful magnet for interest groups, and if we are right about the emergence of multi-level governance, we should find a multi-level pattern of interest mobilization (Marks and McAdam 1993; Tarrow 1994).

The years since the Single European Act have seen a rapid increase in the number and range of interests that have mobilized directly at the European level. The number of interest groups operating in Brussels was estimated to be in the range of 3,000 by 1990, having increased from around 600 in 1986 (Julien 1990; Anderson and Eliassen 1991). Studies in individual policy areas from the chemical industry to the environment reveal a more finely grained, but consistent, picture (Cawson 1992; Greenwood and Ronit 1992; Visser and Ebbinghaus 1992; Mazey and Richardson 1993b; 1993c; Grant 1993). The phenomenon of interest mobilization at the European level encompasses subnational governments as well as functional and purposive groups. A survey of subnational mobilization in the EU documents the dramatic increase in the number of city, local, and regional governments represented in Brussels from one in 1985, to 15 in 1988, 54 in 1993, and 70 in 1994 (Marks, Nielsen, Salk 1994b; Salk, Nielsen, Marks 1994).

This development raises a fundamental question about the role of the state in the emerging European polity. To what extent are states in Western Europe fulfilling their traditional role as the nexus between domestic politics and international relations? The question is an important one because the centrality of states in Western political development has been conceived not only in terms of the accumulation and replication of *competencies* in the hands of state officials, but also from the standpoint of the role of the state as an *arena* of contention (Tilly 1975). States have dominated political life in Western society over the past two centuries and more both because authoritative decision making was increasingly concentrated in the hands of state actors and because states served as the decisive domains in which the most important political questions of the day were settled.

The relationship between the state conceived as actor and the state conceived as an arena is a complex issue that would take us beyond the brief of this paper. However, our supposition is that the two are intertwined in mutually reinforcing fashion. To the extent that competencies are shifted from state actors to supranational actors in the European arena, so actors within states will be induced to mobilize directly in the European arena to influence decisions made there. Conversely, we hypothesize that to the extent that actors mobilize in the European arena so this enhances the legitimacy of decisions that are made there and raises expectations about the capacity of that arena to handle future conflicts.

State-centric and multi-level models of governance pose contrasting expectations for interest mobilization. The state centric perspective views state arenas as critical junctures between the mobilization of subnational interests and politics at the European level. Because states are conceived as the decisive political actors in the European Union, state centric theorists assume that domestic interests will attempt to influence their respective governments which will, in turn, influence outcomes in the European arena. The situation is

essentially that of an egg-timer, with two distinct cones domestic and European politics, connected by a single channel, the state arena. A multi-level governance perspective, by contrast would lead one to expect a far untidier melange of interest mobilization combining lobbying in state arenas and direct representation at the European level, bypassing state arenas.

Conceptualizing variation among types of mobilization

Groups can mobilize in the national arena and the European arena¹⁴. Both arenas are decisive for EU decision making: the European arena, to the extent that the Commission, Courts and/or Parliament are useful targets; the national arena because it is the only effective route to closed, secret, and highly insulated bargaining among member state governments in the Council of Ministers. The strategic choice facing a group is not, however, between these arenas, for they are by no means mutually exclusive, but between using neither of them, one of them exclusively, or using both arenas.

Alongside choice of *arenas*, groups may mobilize *via* a variety of *organizational channels*, ranging from autonomous representation as a single group, to representation in partial associations (e.g. based on sectoral, ideological principles) or encompassing national associations, to representation of groups in partial or encompassing transnational associations. Once again, groups do not face exclusive choices here, but a set of discrete choices for or against each of these alternatives.

There are now several studies of group mobilization in the EU, including a survey of subnational representation in Brussels, and these allow us to summarize the situation in the following general terms (Greenwood, Grote, Ronit 1992a; Marks and McAdam 1993a; Mazey and Richardson 1993d; McLaughlin, Jordan, Maloney 1993).

Of the alternatives set out above, one in particular is found rarely. Very few groups are represented in the European arena if they are not represented in their respective national arena. This is not surprising given that the national arena serves as a multi-purpose arena, as a route both to national policy making and to EU policy making via the Council of Ministers, while the European arena serves only as a route to EU policy making.

Mobilization among arenas and organizational channels appears to be mutually reinforcing rather than mutually exclusive. Groups that are strongly entrenched in their respective state arena are *more* likely to be mobilized in the European arena than groups that are weakly represented in their respective state arena. Groups that are represented individually in the European arena are *more* likely to be represented by national or transnational associations than groups that are not represented individually.

One finds the same uneven pattern of representation in the EU as state arenas. The decisive barrier is the capacity of a group to overcome the free-rider problem and provide itself with the collective good of representation. So, on the

one side, there are many potential groups--the unemployed, the poor, single mothers, etc.--which are not represented at all. On the other side, once a group has surmounted the free rider problem and is organized in the state arena, little extra effort is necessary to extend representation at the European level.

The sheer fact that the cost of representation is low does not mean, of course, that groups will pay it. Among groups that are already organized in their national arenas, it is those that are most directly influenced by Commission regulation--i.e. functional economic groups, particularly multi-national firms, that have a stake in market opening reforms of the 1992 Project--that are most intensively organized in the EU.

The minimal object of representation is the demand for intelligence concerning future EU legislation. The complex interaction of EU institutions, the compartmentalized character of decision making within them, and the corresponding diversity in the sources of innovation, have created an unpredictable policy environment (Mazey and Richardson 1993b; McLaughlin and Jordan 1993). Affected groups are, therefore, drawn to the Commission for information, and they have found that the Commission is willing to provide it in exchange for their expertise. As a small bureaucracy with a very large and diverse ambit, the Commission views such relationships as valuable in their own right and a useful counterweight to the expertise supplied by state executives.

Groups are drawn to Brussels to influence, as well as learn about, future regulation. To the extent that regulation is highly technical and non-politicized, so interest groups have been able to exert considerable influence on Commission plans, particularly if they are able to make their case early in the policy process (Hull 1993). As noted above, the Commission has established an extensive, *ad hoc*, advisory network, precisely to facilitate this exchange. Groups also seek to contest policy implementation, mainly through the European Court of Justice, and to shape the institutional character of the EU itself. The latter is, of course, extremely difficult to achieve, but it is not impossible. The German Länder, with help from Spanish and Belgian regions, succeeded in establishing a new advisory forum for subnational representation in the Maastricht Accord.

Groups are pulled towards different channels in seeking information and influence. Autonomous representation maximizes the control a group has over its message because it involves aggregation of interests only to the level of the group itself; representation *via* a national association facilitates the support of the relevant state executive in the Council, though at the cost of potential conflict within the constituency and consequent loss of coherence; while representation *via* transnational organization increases the legitimacy of the group's demands in the eyes of the Commission, but demands yet more encompassing aggregation of interests and greater potential for internal conflict. As we emphasized above, these channels of representation are not mutually

exclusive. The result is a multiplication of channels, a multi-layered nesting of groups within multiple associations operating in both the national and European arenas.

In the chemical industry, for example, there are several companies that do most or all of the following a) have their own office or lobbyist in one or more national capitals; b) have their own office or lobbyist in Brussels; b) belong to one or more sectoral, subsectoral, or product-specific national associations in the chemical industry; c) belong to one of the 65 European-wide product level associations; d) belong to one of the nine European-wide major sectoral or subsectoral associations; e) belong to the European Chemical Industry Council representing the chemical industry as a whole; and f) belong to one or more of the crosssectoral business associations, such as UNICE, the European Business Round Table, or the EC Committee of the American Chamber of Commerce (see Grant 1993; Collie 1993).

One finds similar nesting in the representation of subnational governments (Marks 1992; 1993b; Mazey and Mitchell 1993). The Spanish autonomous community of Catalonia, for example, is (in addition to its multiple channels within Spain): represented by an office employing 18 officials in Brussels; belongs to the European Assembly of Regions which is represented in Brussels; is a member of several transnational associations, including the trans-Pyrenean Euroregion and the Four Motors of Europe, which lobby independently in the European arena; is represented directly in the Committee of the Regions and Local Authorities, an official consultative assembly established in the Maastricht Treaty; and is currently struggling with the Spanish coalition Government to gain independent access to the Council of Ministers as an official part of the Spanish delegation with autonomous delimited responsibilities for certain areas of public policy. Barcelona, the capital of Catalonia, is nested within several of these activities, but it has also established additional independent channels of representation which include membership of the Council of Municipalities and Regions of Europe. and membership of transnational associations including Eurocities and C6, an association of French and Spanish regional capitals. Barcelona is also represented independently in the Committee of the Regions and Local Authorities (Morata and Munoz 1994).

These examples reveal that groups have already adapted to the dispersal of information and power across levels of government. The interest group system in this multilevel polity is still very much in flux as yet more groups crowd in and existing groups learn which channels and arenas are effective for which issues. Both developments raise the possibility of a shake-out in which some groups relinquish certain existing channels, or drop out of the European arena altogether, as the possibility of access declines as the number of actors increases. At the same time new groups are being counter-mobilized into the European arena simply because their competitors are present. Clearly, we are viewing a rapid process of institutional creation in its early stages, a process that

appears consistent with the model of multi-level governance and at odds with a state-centric view of the European Union.

DYNAMICS OF MULTILEVEL GOVERNANCE

Multi-level governance does not confront the sovereignty of states directly. Instead of being explicitly challenged, we believe that states in the European Union are being melded gently into a multi-level polity by their leaders and the actions of numerous subnational and supranational actors representing a wide variety of organizations. State-centric theorists are right when they argue that states are extremely powerful institutions that are capable of crushing direct threats to their existence. The organizational form of the state emerged because it proved a particularly effective means of systematically wielding violence, and it is difficult to imagine any generalized challenge along these lines. But this is not the only, nor even the most important, issue facing the institution of the state. One does not have to argue that states are on the verge of political extinction to believe that their control of those living in their territories has significantly weakened.

It is not necessary to look far beyond the state itself to find reasons that might explain how such an outcome is possible. When we disaggregate the state into the actors that shape its diverse institutions, it is clear that key decision makers, above all those directing the state executive, may have goals that do not coincide with that of projecting state sovereignty into the future. As well as being a goal in itself, the state may sensibly be regarded as a means to a variety of ends that are structured by party competition and interest group politics in a liberal democratic setting. In some circumstances this may drive state executives to centralize control in state institutions, but this is not necessarily the case, as the course of European integration itself shows.

Multi-level governance is unlikely to be a stable equilibrium: it is not embedded in a firm constitutional framework, nor is there consensus on the goal of integration; European law is formally supreme, but political relations between European and national arenas are only weakly related to legal norms; and the allocation of competencies between national and supranational levels is ambiguous and contested. The nature of the Europolity at any particular point in time is the outcome of a complex interplay between supranational and intergovernmental pressures.

One set of pressures stems from the rapidly increasing task demands of European collaboration. While state executives are able to chart general directions of cooperation, it would be extremely time consuming for them to stamp their plans into detailed legislative proposals without a civil service. The increased need for professionalization, the heavier decision load, intense time constraints, and the growing complexity of many issues intensify the collective action problem facing member states.

The logical response is to create an agent capable of filling the vacuum of detached political leadership, i.e. the European Commission. However, the difficulty of tying such an agent to the interests of state executives is significant given that there are no less than a dozen principals (the member states) of contrasting sizes, party political complexions, and substantive orientations. Moreover, in this context the vaunted veto of *individual* member states actually constrains the *collective* control of member states, providing the Commission with some breathing room so long as it does not alienate all constituent state executives simultaneously .

This lack of control is often annoying for member states, but it has rarely estranged them from the Europolity. The European Commission provides the benevolent side of political leadership: the capacity to define goals and mobilize resources, without advancing any claim on the intimidating side of leadership—coercive power. Multi-level governance meshes supranational influence with state executive concurrence in an interlocking system designed to maximize consensus. It is infinitely more attractive to state executives than a purely supranational system, where European institutions would have autonomous coercive power.

Lack of autonomous control has advantages as well as disadvantages for member states executives. State executives can hide behind decisions that are made in the European Council or in interlocking policy making with the Commission. They can fend off domestic opposition and defuse ideologically charged issues by claiming that they must adjust to arrangements they cannot change. The French Socialist government justified its turnaround from Keynesianism to more hard-nosed monetarist policies in 1982-83 partly by reference to EU membership. Several governments have countered fierce pressure from farmers by claiming (in good faith) that they were compelled to accept containment of agricultural subsidies in bargaining a European Union position in the GATT negotiations. Spanish Socialist governments have consistently used *raison d'Europe* arguments to defend their plans to liberalize the professions and introduce greater labor market flexibility.

There is, however, nothing inherent in the current outcome of multi-level governance. The European policy has already made two U-turns in its short history. Overt supranationalist features of the original structure were overshadowed by the imposition of intergovernmental institutions in the 1960s and 1970s (Weiler, 1991). During the 1980s, those institutions became increasingly locked into a system of multi-level governance.

A further pressure shaping multi-level governance is the public perception of state sovereignty and its effect on the willingness of state executives to exchange power for policy. As we have emphasized, European integration has been propelled by policy outputs rather than by conceptions of how decisions should be made. Integration has been regarded favorably because it is perceived to bring tangible benefits. Efficiency arguments prevail. This has enabled state

executives and supranational institutions alike to go about their business in pragmatic fashion without paying too much attention to the erosion of state sovereignty.

However, the EU-wide series of debates unleashed by the Maastricht Accord has forced the issue of sovereignty onto the agenda. Where governing parties themselves shied away from the issue, it was raised in stark terms by opposition parties, particularly those of the extreme right. Member state governments were, themselves, deeply riven. The European Commission was forced to retreat. or, more accurately, to play its part in the system of interlocking relations with greater modesty. Some member states, particular larger ones, are currently pressing hard to reinforce intergovernmental safeguards. Various reforms have been placed on the agenda, including a revision of voting weights in the Council of Ministers to strengthen the larger states. The Maastricht crisis is not the first time that national sovereignty has been reasserted. Nor are attempts by some state executives to revive intergovernmentalism new. The future of the European polity is open-ended.

ENDNOTES

1. The conception of multi-level governance set out here is consistent with the claim that competencies have shifted *down* to subnational levels of government as well as *up* to the European Union, a claim that we do not elaborate here for reasons of space.
2. This point is made forcefully by Philippe Schmitter in “Interests, Powers and Functions: Emergent Properties and Unintended Consequences in the European Polity,” paper prepared for the meeting of “The Consortium for 1992” held at the Center for Advanced Study in the Behavioral Sciences, May 23-25, 1992.
3. The latter quality seems, however, to be the more decisive. The case of the UK during the 1980s is instructive. Even though Mrs. Thatcher reduced the range of state control in British society by privatization and neo-laissez-faire policies, most observers stress that she strengthened the British state by attacking contending institutions, above all local authorities. Thatcher also fought—and lost—a rearguard action in defense of state sovereignty against the EU, though even she was prepared to make trade-offs at the expense of state sovereignty for other goals, including shifting decision making away from the state to private actors.
4. To counter this, top appointments are rotated regularly and their actions are often constrained by national officials. For example, Danish ministers are formally bound by the Danish parliament on EU legislative decisions; UK representatives ‘reserve’ their position in debates pending scrutiny by the House of Commons; and French representatives must check to see if the French parliament responds to draft European laws due for debate at EU Council meetings (Financial Times, 7129194). The most common way is a system of regular briefings between home-based administrations and dispatched Coreper officials.
5. Under Article 152 of the Treaty of Rome, the Council can request the Commission to submit a proposal, but it cannot give detailed instructions about the content. The European parliament has fought very hard to obtain a formal right of initiative, but under the Treaty of European Union it got no further than the equivalent of Article 152 for the Council, the right to request a proposal.
6. These and other figures, unless otherwise indicated, are averages for the 1980s. Most can be found in the Commission’s annual reports: General Report on the Activities of the European Communities. See Hooghe (1993) for references.
7. The Belgian federal government relied extensively on the European report both in planning and justifying its radical plan for labor market relations.
8. *Agence Europe*, No.6005, 21/22 June 1993.
9. A striking example of the Commission’s agenda-setting capacity is the European Energy Charter, a formal agreement between Russia and the West

European states to guarantee Russian energy supply after the collapse of the Soviet Union. The Charter idea was launched by the Dutch prime minister in June 1990. It was immediately taken up by the European Council, which gave the Commission a highly imprecise mandate to negotiate the Charter. However, neither the Dutch, the Germans, nor the British supported the choice of the European Community as organizational venue for the Charter. The national ministries started work in the fall, but their work proceeded slowly, with little coordinated effort. The Commission used its mandate to take the initiative, and began negotiations with the Russians in October. These continued throughout the winter, enabling the Commission to announce a preliminary text for the Charter early in 1991. The member states, presented with a *fait accompli*, accepted the European Union as the appropriate forum for the Charter, and the leadership of the Commission in crafting the policy. The first Charter conference took place in July 1991 and the Charter was signed in December. The Commission consolidated this advantage by setting up a special section in the Directorate-General for energy (Matlas,, 1993). This case is interesting because member states have been particularly successful in resisting the Europeanization of energy policy, a notable laggard in the internal market program.

10. Although infighting is notorious, the Commission is usually quite good at keeping internal battles behind closed doors. Rarely does internal disagreement become apparent during the Commission's negotiations with the Council. The Commission derives this strength from a thorough screening procedure preceding presentation to the Council. For an example on structural policy, see Hooghe (1994).

11. Occasionally, the Commission steps beyond its usual role of umpire to become a partial negotiator itself. During the negotiations for the structural funds framework for 1994-1999, bargaining took place mainly between the Commission and the member states. The last meetings, in July 1993, consisted of a series of bilateral encounters, in which Commission civil servants negotiated with each member state separately. The member state holding the presidency acted as umpire (Hooghe 1995). In such cases, the Commission is recognized for what it is - a special thirteenth partner around the table.

12. Volker Eichener recalls how a national delegate labelled the Commission officials 'Europe's last princes', as they are often able to play national delegations against one another. The same delegate characterized the member states' behavior as 'courtier-like', since the delegates are all ears to interpret the officials' utterances regarding the direction in which a proposal might go (Eichener 1992).

13. In newer areas the decision rules are a patchwork of unanimity and qualified majority. In some areas qualified majority predominates (including environment, research and development, health, trans-European networks, culture and vocational training, education, research and development, consumer

protection, EMU multilateral surveillance, development cooperation policy); in others there is a mixture (economic and social cohesion); and in still others, unanimity predominates (social policy, industry, money and credit (until EMU), foreign policy, defense, home affairs and justice).

14. Once again we must leave aside the subnational dimension for reasons of space.

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